

COMMUNITY FIRST ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
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WA14 2UT



COMMUNITY FIRST ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 9
Governance statement	10 – 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the accounts	17 – 19
Independent reporting accountant's report on regularity	20 – 21
Statement of financial activities including income and expenditure account	22 – 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 – 45

COMMUNITY FIRST ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr J Pugh (Chair of trustees 1 September 2018 to 31 August 2019) #
Ms S Darbyshire (Accounting officer) #
Mr M Rowlands
Cllr C Sweeney
Mr S Woosey (Resigned 19 December 2018)
Mrs R Rule-Mullen (Chair of trustees from 1 September 2019) #
Mrs J Chambers
Mrs L Hamnett (Appointed 1 September 2019)
Members of the Audit Committee

Members

Mrs E Greensides
Mr N Bailey
Mrs B C Szwandt
Mrs A Holland
Mrs R Crompton (Appointed 1 September 2019)

Senior management team

- Chief Executive Officer National Leader of Education Executive Headteacher Teaching School Lead Head of SCITT	Mrs S Darbyshire
- Acting Head of School - Platt Bridge Community School	Mrs A Howard
- Deputy Headteacher - Platt Bridge Community Primary School	Mr M Haskayne
- Finance director	Mrs M Frost
- HR director	Mr C Holden

Company registration number

08359889 (England and Wales)

Registered office

Rivington Avenue, Platt Bridge, Wigan, WN2 5NG

Academies operated

Platt Bridge Community School
Rose Bridge Academy
(Kingsbridge SCITT)
(Westbridge TSA)

Location

Wigan
Wigan – up to 31 January 2019
Wigan
Wigan

Principal

S Darbyshire
B Bridden
S Darbyshire
S Darbyshire

Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

Lloyds TSB, Market Street, Wigan, Lancashire

Solicitors

Browne Jacobson, Victoria Square House, Victoria Square,
Birmingham, B2 4BU

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The charitable company was incorporated on 14 January 2013 and commenced trade as an academy trust on 1 February 2013. The academy trust as at 31 August 2019 consists of 1 primary academy, 1 SCITT (School Centred Initial Teacher Training Provider), 1 TSA (Teaching School Alliance), an approved and registered provider of apprenticeships and a Start Well Family Centre in Wigan.

Structure, governance and management

Constitution

Community First Academy Trust is a company limited by guarantee (company number: 08359889) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Community First Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the reference and administration details on page 1 together with details of the company's registered office address.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

In accordance with normal commercial practice the academy trust has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy trust business. Further details are disclosed at note 11.

Method of recruitment and appointment or election of trustees

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The total number of trustees who are employees of the company shall not exceed one third of the total number of trustees. Subject to articles 48-49 and 53, the academy trust shall have the following trustees:

- up to 7 trustees, appointed under Article 50;
- the chief executive officer;
- up to 3 representatives from the academies within the academy trust as appointed by the members;
- a minimum of 2 parent trustees elected or appointed under articles 53-56 in the event that no local academy boards are established under article 100a or if no provision is made for at least 2 parent local trustees on each established local governing body pursuant to article 101A; and
- the academy trust may also have any co-opted trustee appointed under article 58.

Policies and procedures adopted for the induction and training of trustees.

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees. The academy trust will also perform an annual skills audit of trustees. Should any gaps be identified training courses are offered to address these issues.

Organisational structure

The governance of the trust is defined in the memorandum and articles of association together with the funding agreements with the Department for Education. The trust, as a multi-academy trust has a Central Office to support its academies and business areas in relation to their business support and academic standards.

Community First Academy Trust as at 31 August 2019 contained the following:

- Platt Bridge Community School (lead/sponsor)
- Kingsbridge SCITT (migrated 28 September 2015)
- Westbridge Teaching School Alliance (TSA)
- Rose Bridge Academy (sponsored / re brokered 1 February 2019)

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The management structure consists of 6 levels; the members, the board of trustees, the chief executive, the head of school/headteacher of each academy, the local academy board of each academy and the senior leadership team within each academy. Following the Ofsted Inspection of Rose Bridge Academy in January 2018 an Interim Academy Management Committee was appointed by the board of trustees to replace the local academy board and consisted of 5 independent members and the CEO of Community First Academy Trust.

All trustees of Community First Academy Trust are members of the full board of trustees. In addition, some trustees are members of committees known as the Finance, Audit and Risk committee, local academy board or headteacher board which report to the full board of trustees. The chief executive is the accounting officer of the trust.

A scheme of delegation has been agreed in order to devolve responsibility and encourage decision making at all levels.

The board of trustees meets once each term to receive reports from its local academy boards or headteacher board and manage its strategic objectives. The local academy board and headteacher board meet at least once per term to discuss and deal with the following matters subject to their delegations:

- Finance & personnel – academy trust's budgets and financial performance, staffing matters (including absence) and remuneration.
- Audit - internal controls, the responsible officer's reports and risk management.
- Standards - curricular issues, policies, pupils and welfare, and academic performance against targets.
- Building and facilities management - premises requirements, risk management and health and safety matters.

The IAMC at Rose Bridge Academy continued to meet regularly up until the academy's re brokerage that took place 31 January 2019 to deal with the following matters subject to their delegations:

- Monitoring performance against targets set by the IAMC and agreed by trustees.
- Monitoring the implementation of the policy framework set by the IAMC and its impact on standards of achievement.
- Monitoring the academy's self-evaluation and satisfying itself to the accuracy of this, including via external support as determined by the IAMC.
- Ensuring the academy complies with statutory requirements.
- Providing robust challenge and support to the headteacher and SLT.
- Monitoring and evaluation progress towards post-inspection or review action points.

Arrangements for setting pay and remuneration of key management personnel

Community First Academy Trust has followed the LA agreed pay policy which has been endorsed annually by the members with regards to the setting of key management personnel pay.

Following performance management meetings comprising of performance management governors, independent performance management reviewers and key management personnel, pay recommendations are sent to the members along with evidence of targets met.

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the period 01/09/2019 to 31/08/2019	Full time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Percentage of pay bill spent on facility time

Total cost of facility time	£6,214.00 purchased via a service level agreement with Wigan Council
Total pay bill	N/A
% of the total pay bill spent on facility time	

Paid Trade Union activities

Time spent on paid trade union activities as a % of total paid facility time hours	N/A
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Related parties and other connected charities and organisations

Platt Bridge Community School's building is also home to Platt Bridge Community Library, Platt Bridge Start Well Family Centre and Kingsbridge Teacher Training. A contribution towards facilities management is sought from all stakeholders. The CEO/executive headteacher is also head of centre for Platt Bridge Start Well Family Centre. Kingsbridge Education Improvement Partnership officially migrated into Community First Academy Trust on 15 September 2015. Platt Bridge Community School was designated as a teaching school in April 2014 in partnership with Westfield Community School and is known as Westbridge Teaching School Alliance. In September 2019, Westfield Community School will be de-designated as a teaching school leaving Platt Bridge as the single lead school.

Community First Academy Trust was the sponsor for Rose Bridge Academy (converted 1 April 2015 and was re brokered to The Dean Trust on 31 January 2019) and up to the point of re brokerage CFAT was responsible for:

- appointing/monitoring the performance of the leadership team;
- monitoring the academy's performance and taking action where necessary;
- reporting to DfE about the academy's performance;
- involving parents and the wider community in the academy's work through events, mentoring and business links;
- making sure the academy spends its funding effectively; and
- working with the academy trust, board of trustees, headteacher and senior leadership team.

Trading subsidiaries

In November 2017, Community First Academy Trust established two trading subsidiaries, CFAT Facilities Limited to manage its trust schools' building and cleaning and CFAT International Limited to oversee its international training work.

The trustees determined that trading companies were appropriate to ring-fence risks associated with any non-primary purpose trading of the academy trust and make the most of existing assets and resources to generate additional income for the academy trust. The trading companies are however, wholly owned by the academy trust and the academy trust holds significant control over the trading companies' objects and purpose.

CFAT Facilities Limited generated £13,000 of unrestricted income for the academy trust within its first nine months of trading and £16,000 of unrestricted income for the academy trust during the period 1 September 2018 to 31 August 2019.

CFAT International Limited did not trade during the period 1 September 2018 to 31 August 2019.

Objectives and activities

Objectives and aims

In accordance with the articles of association, the charitable company has entered into a funding agreement with the Secretary of State. The funding agreement specifies, amongst other things, the basis for admitting students to the academy trust and that each of its academies is at the heart of its community, promoting community cohesion and sharing facilities with other schools and/or other educational institutions and the wider community. It also states that the academy trust must ensure that the curriculum provided in each academy to pupils up to the age of 16 is balanced and broadly based.

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The academy trust's principal object is to advance for the public benefit education for children by establishing, maintaining, managing and developing academies that offer a broad and balanced curriculum. The articles were revised in September 2015 to reflect the inclusion of Kingsbridge SCITT in the trust and its responsibility for tutoring, mentoring and training of trainee teachers. The DfE approved a variation to the Funding Agreement with effect from 1 September 2018 to change the age range at Platt Bridge Community School to 2-11 years.

The trustees' vision is to provide innovative opportunities at the heart of the community, to make a difference by raising aspirations and improving life chances for pupils within a welcoming environment.

Objectives, strategies and activities

Community First Academy Trust has one single legal and moral purpose: to advance education in the public interest. The trust operates to provide the very best educational service for all pupils, staff, families and communities that it serves. The trust believes that by working with other trusts and academic partners it will strategically deliver long term sustainability through efficiencies and savings that release resources to improve the rate of progress for all pupils. Our mission is to ensure that every pupil develops as a confident and competent person with the highest aspirations to be the best they possibly can be. The progress of every pupil is tracked rigorously across the trust and is reported at all levels to ensure consistency, challenge and accountability. The trust has established an academy improvement and development plan, which is reviewed and updated on an ongoing basis and monitored by the directors.

Public benefit

The trustees have complied with their duty as specified in Section 4 of the Charities Act 2006, to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

The academy trust and its academies directly serve the local community, providing free education to all students in the local catchment area. The academy trust operates a co-located library, apprenticeship service, childcare, start well family centre, and teacher training centre. The academy facilities are extremely well used for daytime, evening and weekend activities by the community.

The academy trust provides a service to the local authority for pupils who are being assessed for additional needs. There are five resourced places which are over and above the substantive number. Pupils on an observation and assessment place stay for a maximum of three terms before returning to their substantive school or appropriate placement.

Strategic report

Achievements and performance

The chief executive officer is part of the local authority's school improvement consortia model, which includes schools across the borough. Support is given to other schools requiring improvement. Platt Bridge Community School is a designated National Teaching School, which is known as Westbridge Teaching School Alliance. The executive headteacher/CEO is a national leader of education and Platt Bridge Community School is a national support school.

Ofsted ratings of academies in the academy trust:

Platt Bridge Community School - Outstanding June 2013
Kingsbridge SCITT (Secondary) – Outstanding 2015
Kingsbridge SCITT (Primary) – Outstanding 2015

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Platt Bridge Community School end of Key Stage 2 Results

2019 Key Stage 2 Comparative Report				
Subject	Percentage of pupils achieving the expected standard school	Percentage of pupils achieving the expected standard national	Average scaled score school	Average scaled score nationally
English reading	60%	73%	101.36	104
English grammar, punctuation and spelling	74%	78%	104.54	106
Mathematics	74%	79%	103.82	105
English writing	83%	78%	N/A	N/A
Science	84.7%	N/A	N/A	N/A

NB: 2 pupils have been discounted from school's performance table calculations as per the DfE criteria

2019 Key Stage 1 Comparative Report		
	% of pupils meeting expected standards schools (2019)	% of pupils meeting expected standard nationally (2018)
Reading	69%	75%
Writing	60%	70%
Maths	67%	76%
Science	71%	83%

By the time the children leave Platt Bridge Community School, their achievement is outstanding because they make significantly good progress across the academy from their starting points leading to significantly high levels of attainment.

Platt Bridge Community School attendance data					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
% Attendance	95.3%	95.8%	95.6%	95.1%	96%

Key performance indicators

The Education and Skills Funding Agency (ESFA) monitors the academy trust via a number of statistical returns. The board of trustees monitor percentage spends and emphasis is placed on monitoring staffing and educational resources spending percentages. Benchmarking against similar establishments is performed annually and a benchmarking report is presented to trustees and considered.

As funding is based on pupil numbers, this is a key financial performance indicator. Pupil numbers on roll at January 2018 and used to calculate the GAG funding for 2018/2019 were 408.

- Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was 75% and is 71% for 2018/2019, which is in line with the trustees' expectations.

Cash balances at the end of 2018/2019 are as anticipated.

The overall result for 2018/2019 is a deficit of £1,284,000 (excluding effect of Rose Bridge transfer out) compared to a surplus of £348,000 in 2017/2018. This is due to net expenditure of £5,895,000 plus the actuarial loss on the

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

pension scheme of £1,134,000 compared to net expenditure of £8,787,000 and an actuarial gain on the pension scheme of £899,000 in 2017/2018.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Financial and risk management objectives and policies

The vast majority of the academy trust's income is obtained from the DfE via the ESFA in the form of recurrent grants to the academy trust's academies (revenue and capital), the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown within the restricted funds in the statement of financial activities.

The academy trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice (SORP 2005) such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The academy trust's financial position for the year to 31 August 2019 demonstrates total income of £3,190,000 (including a deficit of £2,555,000 relating to Rose Bridge transfer out) with a deficit at 31 August 2019 of £2,705,000 before the actuarial gain on defined benefit pension scheme. The deficit has been allocated to reserves. The reserves will be utilised for continuing improvements and for projects for the repair and replacement of educational equipment and materials. Resources will also be allocated to the repair, replacement and updating of the academy trust's buildings, its plant, equipment and contents. At the point of re-brokerage all balances held by the trust on behalf of Rose Bridge Academy was transferred to the incoming trust.

Key financial policies adopted or reviewed during the period cover scheme of delegations, financial handbook, investment, whistle blowing and business continuity.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The academy trust's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £1,518,000. The trustees consider that these reserves need to be maintained at a level equivalent to at least one month's expenditure, currently approximately £499,000 (2018: £732,000).

The academy trust is committed towards maintaining its buildings and regularly reviews its capital maintenance programme to ensure a long useful life for the academy trust's assets

Total funds as at 31 August 2019 were £3,659,000 (2018: £7,498,000) made up of a deficit of restricted funds of £1,703,000 (2018: £1,574,000), restricted fixed asset funds £4,127,000 (2018: £8,802,000) and unrestricted funds £1,235,000 (2018: £990,000).

Investment policy

The trustees have adopted an investment policy which allows for surplus funds to be invested in low risk short term bonds with high street banks.

Principal risk and uncertainties

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of its academies. Procedures have been established to mitigate those risks. The risk register is reviewed regularly and mitigating actions are agreed as required.

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The academy does not face any financial risk associated with falling rolls as pupil numbers over the next 12 months are anticipated to be stable. Nevertheless at the same time the uncertainties relating to the next stage of budget reforms, school funding arrangements and increasing employment and premises costs are all contributing to cost pressure in future periods which increases the importance of maintaining robust levels of revenue reserves.

The academy trust recognises exposure to credit risk, as the risk that revenues (self-generated) cannot be collected, and the exposure to banks where the academy trust's own cash is deposited. The credit risk is low for the academy trust due to all cash and investments being with banks that have assigned high credit ratings. The academy trust does not hold client cash balances or assets and so is not exposed to client credit risk.

Prudent liquidity risk management includes maintaining sufficient cash and interest-bearing deposits. To minimise this risk a high percentage of asset funds are held within flexible accounts. The academy trust recognises that the defined benefit schemes deficits (Local Government Pension Schemes) as a significant liability which is set out in the financial statements. However as the trustees consider that the academy trust is able to meet its known deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

Fundraising

The trust supports local and national charities throughout the year and all monies raised through voluntary donations are recorded via the usual recording systems and repaid in full direct to the registered charities. Fundraising for the academy is limited to social events organised by the academy's employees under the direction of the headteacher and all monies raised are used to purchase items for extra-curricular activities to benefit the pupils. Funds raised are subject to the same internal controls, scrutiny and reporting systems as adopted in the trust's Financial Handbook.

Plans for future periods

Community First Academy Trust continues to work closely with Wigan and St Helens local authorities, offering support to other schools and working groups, both through the Wigan Consortia directly or with the Heads of Service. Support and training continue to be provided through the Teaching School and through the established connections the trust has with Blackpool Research School to enable the Teaching School to provide research and development opportunities.

Staff have also continued to be commissioned to support other schools across the north of England and internationally. The academy trust has deployed its NLE and SLE's to schools requiring support.

Platt Bridge has also been approved by the DfE as a 'Sponsor' academy. The trust continues to invest resources into building capacity within the trust in preparation for growth and demand.

Platt Bridge is the DfE lead school for the Kingsbridge Education Improvement Partnership and staff from the academy continue to play a key role in the delivery of the School Centred Initial Teacher Training Programme. Kingsbridge can accept 60 trainees per school year in a range of disciplines and trainees who successfully complete their training are recommended for qualified teacher status (QTS). Kingsbridge's most recent Ofsted report in 2015 judged the provider to be outstanding in all key areas including the outcomes for trainees, quality of training and quality of leadership.

In February 2018; Community First Academy Trust was successful in its application to be added to the Register of Approved Apprenticeship Training Providers. Organisations on the register are approved to deliver apprenticeship training for employers using the apprenticeship service and apprenticeship levy funding. The register enables the trust to deliver Post Graduate Teacher apprenticeships through the academy trust's initial teacher training provider (Kingsbridge). A pilot year commenced in September 2019. The trust continues to review the option to deliver Early Years Practitioner apprenticeships in conjunction with Wigan Council.

COMMUNITY FIRST ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The priorities for Platt Bridge Community School are:

- To improve the consistency of teaching Reading in order to improve attainment at end points.
- To improve the explicit teaching of vocabulary to have an impact on attainment in Reading.
- To improve assessment practices accuracy to ensure that all children make at least good progress in all subjects from their starting points.
- To develop a bespoke curriculum to equip all pupils, including disadvantaged and pupils with SEND, with the knowledge and skills that they need to succeed in future life.

Targets: Pupils' targets are set in September. Targets are set in the 20th percentile using the Fischer Family Trust target setting system. They are adjusted based on pupil's current attainment and knowledge of the child to ensure that they are specific to the individual.

- Attendance target for 2019/20 is 96.5% in line with the national target.

The priorities for Kingsbridge SCITT are:

- Develop provision to ensure that trainees awarded QTS have the highest level of attainment and are well prepared for employment.
- Further refine and enhance training to develop our trainees as competent and confident professionals who show exceptionally high levels of professional conduct. Further improve training to ensure that trainees are very well prepared to accurately assess pupil progress and have the highest levels of subject knowledge.
- To continue the pursuit of excellence in all of the ITE partnership's activities by demonstrating an uncompromising and highly successful drive to strongly improve and sustain, the highest levels of provision and outcomes over a sustained period of time.

The priorities for Westbridge TSA are:

- To undertake research and development work to offer a relevant, purposeful TSA programme for our location.
- Continue to host conferences of high profile speakers who will be tasked with giving TSA Members the 'need to know' national sector picture.
- Enhance SLE's and access research evidence to build capacity and support improved outcomes for children.
- Continue to build on our established partnership with Blackpool Research School.

The priorities for Community First Academy Trusts Apprenticeship Service are:

- To achieve a pilot deliver of Post Graduate Teacher apprenticeships 2019-2020.
- To further develop the offer of Post Graduate Teacher apprenticeships.
- To further develop the option of Early Years Practitioner apprenticeships in conjunction with Wigan Council.
- To support other providers through its entry on the Register of Approved End Point Assessors.

Funds held as custodian trustee on behalf of others

Community First Academy Trust holds no funds on behalf of others.

Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2019 and signed on the board's behalf by:



Mrs Ruth Rule-Mullen
Chair of trustees

COMMUNITY FIRST ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Community First Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the executive headteacher/CEO for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Community First Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities.

The company members have formally met twice during the year. Attendance at member meetings during the period to 31 August 2019 was as follows:-

Members	Meetings attended	Out of possible
Mr Jack Pugh	2	2
Mrs Liz Greensides	2	2
Mrs Brenda Szwandt	2	2
Mr Neil Bailey	2	2
Mrs Angela Holland	2	2

The board of trustees has formally met 6 times during the year. Attendance at board meetings during the period to 31 August 2019 was as follows:-

Trustee	Meetings attended	Out of possible
Mr Jack Pugh	4	6
Mrs Jane Chambers	6	6
Mrs Sue Darbyshire	6	6
Cllr Carl Sweeney	2	6
Mr Mark Rowlands	5	6
Mrs Ruth Rule-Mullen	6	6

The board finance, audit and risk committee has formally met 3 times during the year. During the year J McDonald, who is a qualified accountant, was co-opted to the committee. Attendance at meetings in the year was as follows:

Finance, Audit & Risk	Meetings attended	Out of possible
Mr John McDonald	2	3
Mr Jack Pugh	2	3
Mrs Ruth Rule-Mullen	3	3
Mrs Sue Darbyshire	2	3

A full Governance Review of the trust was undertaken during the 2018 Academic Spring Term by a National Leader of Governance. The recommendations from this review were actioned and the Governance and Accountability Handbook which was in operation was updated and implemented during the 2018-19 academic year. Workshops and training sessions have continued to be held for all trustees to reflect on its performance and effectiveness in dealing with challenges over the year and to scope a vision for the future of the trust.

Review of value for money

As accounting officer of Community First Academy Trust the CEO/executive headteacher is accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

COMMUNITY FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Being committed to:

1. Raising student attainment:

The academy trust has developed and fully embedded tracking systems that ensure each individual child's progress is monitored rigorously throughout the year. These systems are reviewed regularly and revised when appropriate.

Pupil attainment remains a priority across the academy trust and is a focus within the academy development plan.

Effective use of Pupil Premium ensures pupils of differing needs achieve just as well as others. Members of the pastoral and ethos team work closely with children to establish their needs. The head of school at Platt Bridge ensures the best use of pupil premium funding and resources. Rigorous tracking across the trust takes place to measure the impact of the use of pupil premium funding. The local academy board receive termly updates on the use of pupil premium funding.

The academy trust will facilitate the collaboration and sharing of good practice amongst its academies for the benefit of teachers, staff and pupils.

2. Robust governance and oversight of academy trust's finances:

The academy trust appointed Michael Prior as its responsible officer during the period September 2018 to August 2019 who provided advice to the trustees and local academy boards and performs a range of checks on the academy trust's financial systems on a termly basis. A schedule of work is agreed by the trustees and a report of his findings is presented to the Finance Audit and Risk Committee, local academy board and trustees.

The board of trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure that the academy trust remains a 'going concern'.

The academy trust has appointed a Finance, Audit and Risk Committee to which the board has delegated financial scrutiny and oversight.

A monthly management account report is produced and made available to all trustees and a full commentary to accompany the report with key performance indicators is made available at trustee meetings. Regular meetings are also held between the finance director, accounting officer and chair of the trust to discuss these reports.

The board of trustees also receives and approves the statutory accounts and the external auditor's management report.

The local academy boards receive termly budget monitoring reports produced by the finance director. Governors are given the opportunity at these meetings to question, challenge and discuss spending proposals in order to achieve value for money.

A system of internal control, based on a framework of regular management information and administration procedures, has been approved by the board of trustees to ensure appropriate segregation of duties and accountability.

All trustees, governors and members of the senior leadership team are required to complete a register of pecuniary interests form annually. The opportunity to declare any pecuniary interests is provided at all trustees' and governors meetings.

COMMUNITY FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3. Ensuring value for money is achieved and resources are used efficiently and effectively:

The academy trust takes a prudent approach to expenditure. Staffing structures are reviewed annually to ensure that they are fit for purpose and can adapt and respond to support the successful attainment of the objectives within the School Improvement Plan.

Teachers' performance management and support staff appraisal systems are in place to ensure that staff are working to clear objectives and targets. Capability issues are addressed through the use of appropriate policies. Staff absence is carefully monitored and staff are supported through the use of occupational health and application of the Sickness Management Policy to maintain good attendance levels. The academy trust acknowledges that employing NQT's can have a beneficial impact, in their ability to bring fresh ideas and innovative approaches to the teaching team. The trust was successful in its application to become a provider of apprenticeships.

Individual budget holders are held accountable for the use of their budgets and are helped by experienced finance officers in sourcing best value.

The academy trust's payroll is maintained by APS Global and detailed monthly reconciliations of payroll are undertaken by the finance and HR director to ensure that payments to staff are correct.

Contracts are regularly reviewed to ensure they remain competitive and within the limits agreed by the local academy boards and board of trustees.

Comparable quotes are obtained for expenditure over £10,000 but below the tender limit.

The academy trust regularly benchmarks financial performance against similar academies locally and nationally to demonstrate that the trust provides good value for money.

The trust has centralised core services that will benefit future schools who join the trust and provide best value. These include HR, finance, governance and IT.

4. Maximising income generation:

The academy trust explores every opportunity to generate income through the hiring of facilities and pursuing funding bids.

The trust was successful in obtaining a second Big Lottery Grant for improvement to the Early Years outdoor area in 2019. Work was completed following the grant award in the 2019 autumn term.

Throughout the year members of the teaching staff have been deployed to support and share good practice with other educational providers in order to drive up standards. The chief executive also carried out a DfE deployment as part of her National Leader of Education role at an educational provider in St Helens.

The contract agreed between CFAT and Wellington College China and MES Cairo for mentor training and coaching was successfully delivered and discussions taking place at trust level in relation to potential future contracts via CFAT International Limited in line with the auditor's professional advice.

The trust's contract previously agreed between the trust and KAA to deliver CPD both nationally and internationally continues and trustees review deployment requests from KAA on an ongoing basis.

The trust's trading company CFAT Facilities Ltd continues to generate a healthy profit for the trust although future profit is expected to reduce during the 2019-20 academic year following the re brokerage of Rose Bridge Academy, the trust is currently reviewing other revenue streams for CFAT Facilities Ltd.

COMMUNITY FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5. Reviewing controls and managing risks:

The business manager and finance director provide termly budget monitoring reports to the local academy boards and finance committee. Significant variances are explained and remedial action is taken if necessary. The trust has invested in budgeting software to assist with the budget setting process.

Insurance levels are reviewed annually and used cost-effectively to manage risks. The trust buys back into the government's RPA scheme.

A Risk Register has been approved by the local academy boards and is reviewed on a regular basis. A Trust Risk Register is also in place and reviewed termly by the trustees.

Each academy also has a Business Continuity Plan, Anti- Fraud and Corruption Policy.

6. Reviewing operation to maximise use of resources:

The senior leadership teams and trustees review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum development and each Academy Development Plan. The trustees review the level of reserves annually and have invested in higher interest accounts to ensure maximum returns on surplus balances.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Community First Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring system with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purpose committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties;
- identification and management of risks;
- a Trust Risk Register is reviewed and updated regularly; and
- a comprehensive Governance Review was undertaken in 2018 by the National Governance Association.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Michael Prior, as responsible officer (RO) for the academic year September 2018 to August 2019. The RO role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis during the contracted period, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer completed his Summer Term review and reported that there were no material control issues.

COMMUNITY FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019


Review of effectiveness

As accounting officer, the CEO/executive headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the local board of trustees/finance committee;
- the work of the responsible officer; and
- the work of the external auditors.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 3 December 2019 and signed on its behalf by:



Mrs Ruth Rule-Mullen
Chair of trustees



Mrs Sue Darbyshire
Accounting officer

COMMUNITY FIRST ACADEMY TRUST

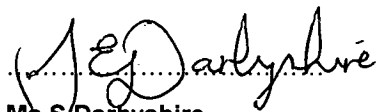
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Community First Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Ms. S. Darbyshire
Accounting officer

Date: 3 December 2019

COMMUNITY FIRST ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Community First Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 3 December 2019 and signed on its behalf by:



Mrs R Rule-Mullen
Chair of trustees

COMMUNITY FIRST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FIRST ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Community First Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

COMMUNITY FIRST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FIRST ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

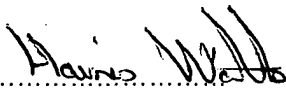
COMMUNITY FIRST ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FIRST ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 

COMMUNITY FIRST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO COMMUNITY FIRST ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 15 April 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Community First Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Community First Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Community First Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community First Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Community First Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Community First Academy Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

COMMUNITY FIRST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO COMMUNITY FIRST ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

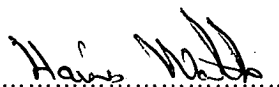
FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Date: 

COMMUNITY FIRST ACADEMY TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2019 £(000)	Total 2018 £(000)
Income and endowments from:						
Donations and capital grants	3	-	3	26	29	27
Donations - transfer of existing academy out of the trust		104	1,224	(3,883)	(2,555)	-
Charitable activities:						
- Funding for educational operations	4	-	4,941	-	4,941	7,153
Teaching schools	25	25	428	-	453	730
Other trading activities	5	302	16	-	318	320
Investments	6	4	-	-	4	6
Total		<u>435</u>	<u>6,612</u>	<u>(3,857)</u>	<u>3,190</u>	<u>8,236</u>
Expenditure on:						
Raising funds	7	118	-	-	118	117
Charitable activities:						
- Educational operations	8	-	5,133	177	5,310	8,048
Charitable expenditure – transfer of existing academy out of the trust		-	(96)	-	(96)	-
Teaching schools	25	16	547	-	563	622
Total	7	<u>134</u>	<u>5,584</u>	<u>177</u>	<u>5,895</u>	<u>8,787</u>
Net income/(expenditure)		301	1,028	(4,034)	(2,705)	(551)
Transfers between funds	17	(56)	(23)	79	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(1,134)	-	(1,134)	899
Net movement in funds		245	(129)	(3,955)	(3,839)	348
Reconciliation of funds						
Total funds brought forward		<u>990</u>	<u>(1,574)</u>	<u>8,082</u>	<u>7,498</u>	<u>7,150</u>
Total funds carried forward		<u>1,235</u>	<u>(1,703)</u>	<u>4,127</u>	<u>3,659</u>	<u>7,498</u>

COMMUNITY FIRST ACADEMY TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2018 £(000)
Income and endowments from:					
Donations and capital grants	3	-	3	24	27
Charitable activities:					
- Funding for educational operations	4	-	7,153	-	7,153
Teaching schools	25	171	559	-	730
Other trading activities	5	282	38	-	320
Investments	6	6	-	-	6
Total		459	7,753	24	8,236
Expenditure on:					
Raising funds	7	117	-	-	117
Charitable activities:					
- Educational operations	8	-	7,783	265	8,048
Teaching schools	25	85	537	-	622
Total	7	202	8,320	265	8,787
Net income/(expenditure)		257	(567)	(241)	(551)
Transfers between funds	17	(241)	185	56	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	899	-	899
Net movement in funds		16	517	(185)	348
Reconciliation of funds					
Total funds brought forward		974	(2,091)	8,267	7,150
Total funds carried forward		990	(1,574)	8,082	7,498

COMMUNITY FIRST ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£(000)	£(000)
Fixed assets			
Tangible assets	13	4,127	8,082
Current assets			
Debtors	14	83	186
Cash at bank and in hand		1,525	1,824
		<u>1,608</u>	<u>2,010</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(90)	(303)
Net current assets		<u>1,518</u>	<u>1,707</u>
Net assets excluding pension liability		<u>5,645</u>	<u>9,789</u>
Defined benefit pension scheme liability	19	(1,986)	(2,291)
Total net assets		<u>3,659</u>	<u>7,498</u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		4,127	8,082
- Restricted income funds		283	717
- Pension reserve		(1,986)	(2,291)
Total restricted funds		<u>2,424</u>	<u>6,508</u>
Unrestricted income funds	17	<u>1,235</u>	<u>990</u>
Total funds		<u>3,659</u>	<u>7,498</u>

The accounts were approved by the trustees and authorised for issue on 3 December 2019 and are signed on their behalf by:



Mrs R Rule-Mullen
Chair of trustees

Company Number 08359889

COMMUNITY FIRST ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £(000)	2018 £(000)
Cash flows from operating activities			
Net cash provided by operating activities	20	236	209
Cash funds transferred of existing academy out of the trust		(460)	-
		<u>(224)</u>	<u>209</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		4	6
Capital grants from DfE Group		26	24
Purchase of tangible fixed assets		<u>(105)</u>	<u>(88)</u>
Net cash used in investing activities		<u>(75)</u>	<u>(58)</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period		<u>(299)</u>	<u>151</u>
Cash and cash equivalents at beginning of the year		<u>1,824</u>	<u>1,673</u>
Cash and cash equivalents at end of the year		<u><u>1,525</u></u>	<u><u>1,824</u></u>

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Community First Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold land and buildings	50 years for buildings, land is not depreciated
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	5 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the lease term.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Capital grants	-	26	26	24
Other donations	-	3	3	3
	<u>-</u>	<u>29</u>	<u>29</u>	<u>27</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
DfE / ESFA grants				
General annual grant (GAG)	-	3,703	3,703	5,763
Other DfE group grants	-	469	469	731
	<u>-</u>	<u>4,172</u>	<u>4,172</u>	<u>6,494</u>
Other government grants				
Local authority grants	-	769	769	659
	<u>-</u>	<u>769</u>	<u>769</u>	<u>659</u>
Total funding	<u>-</u>	<u>4,941</u>	<u>4,941</u>	<u>7,153</u>

The academy trust received £769,000 from the local authority in the year being £295,000 Early Years funding, £104,000 SEN funding, £50,000 supplementary funding and £320,000 for the Children's Centre at Platt Bridge Community School.

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Hire of facilities	28	-	28	28
Catering income	-	6	6	10
Non-teaching maternity reclaim	-	10	10	28
Other income	274	-	274	254
	<u>302</u>	<u>16</u>	<u>318</u>	<u>320</u>

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Short term deposits	4	-	4	6

7 Expenditure

	Staff costs £(000)	Non Pay Expenditure Premises £(000)	Other £(000)	Total 2019 £(000)	Total 2018 £(000)
Expenditure on raising funds					
- Direct costs	-	-	118	118	117
Academy's educational operations					
- Direct costs	2,712	141	503	3,356	5,502
- Allocated support costs	1,169	293	492	1,954	2,546
Teaching schools	169	-	394	563	622
	4,050	434	1,507	5,991	8,787

Net income/(expenditure) for the year includes:

	2019 £(000)	2018 £(000)
Fees payable to auditor for:		
- Audit	11	18
- Other services	2	3
Operating lease rentals	9	16
Depreciation of tangible fixed assets	177	265
Net interest on defined benefit pension liability	59	73

8 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Direct costs				
Educational operations	9	3,347	3,356	5,502
Support costs				
Educational operations	7	1,947	1,954	2,546
	16	5,294	5,310	8,048

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

Analysis of costs	2019 £(000)	2018 £(000)
Direct costs		
Teaching and educational support staff costs	2,712	4,454
Staff development	32	71
Depreciation	141	240
Technology costs	35	47
Educational supplies and services	310	560
Examination fees	10	38
Other direct costs	116	92
	<u>3,356</u>	<u>5,502</u>
Support costs		
Support staff costs	1,169	1,494
Depreciation	36	25
Technology costs	17	18
Maintenance of premises and equipment	104	141
Cleaning	11	30
Energy costs	68	95
Rent, rates and other occupancy costs	35	74
Insurance	39	46
Security and transport	18	76
Catering	139	174
Interest on defined benefit pension scheme	59	73
Other support costs	170	196
Governance costs	89	104
	<u>1,954</u>	<u>2,546</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £(000)	2018 £(000)
Wages and salaries	2,946	4,446
Social security costs	246	401
Pension costs	767	1,100
	<u>3,959</u>	<u>5,947</u>
Amounts paid to employees		
Agency staff costs	85	91
Staff restructuring costs	6	86
	<u>4,050</u>	<u>6,124</u>
Amounts paid to staff		
Staff development and other staff costs	32	71
	<u>4,082</u>	<u>6,195</u>
Total staff expenditure		

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Redundancy payments	5	86
Severance payments	1	-
	<u>6</u>	<u>86</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £600(2018: £0). Individually, the payments were: £300 and £300.

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2019 Number	2018 Number
Teachers	62	61
Administration and support	109	101
Management	11	8
	<u>182</u>	<u>170</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,001 - £70,000	1	1
£120,001 - £130,000	1	1
	<u>2</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £533,000 (2018: £659,416).

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Trustees' remuneration and expenses

One of more trustees have been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

S Darbyshire (Principal and trustee)	
Remuneration: £120,001 - £125,000	(2018: £120,001 - £125,000)
Employer's pension contributions: £20,001 - £25,000	(2018: £15,001 - £20,000)

During the year ended 31 August 2019, travel and expenses payments totalling £nil (2018: £624) were paid to trustees.

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Intangible fixed assets

	Software £(000)
Cost	
At 1 September 2018 and at 31 August 2019	11
Amortisation	
At 1 September 2018	10
Charge for year	1
At 31 August 2019	11
Carrying amount	
At 31 August 2019	-
At 31 August 2018	-

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Long leasehold land and buildings £(000)	Computer equipment £(000)	Fixtures, fittings & equipment £(000)	Motor vehicles £(000)	Total £(000)
Cost					
At 1 September 2018	8,634	420	243	12	9,309
Transfer of academy out of the academy trust	(4,059)	(218)	(171)	(12)	(4,460)
Additions	-	16	89	-	105
At 31 August 2019	4,575	218	161	-	4,954
Depreciation					
At 1 September 2018	712	367	138	10	1,227
Transfer of academy out of the academy trust	(261)	(205)	(99)	(11)	(576)
Charge for the year	116	22	37	1	176
At 31 August 2019	567	184	76	-	827
Net book value					
At 31 August 2019	4,008	34	85	-	4,127
At 31 August 2018	7,922	53	105	2	8,082

The net book value of land and buildings comprises:

	2019 £(000)	2018 £(000)
Long leaseholds (over 50 years)	4,008	7,922

Buildings to the value of £4,312,500 for Platt Bridge Community School are included in fixed assets at depreciated replacement cost, estimated by the trustees as at 14 January 2013. The total land value included in their valuation is £262,000.

The total net book value of leasehold land and buildings as at the balance sheet date consists of £3,746,000 in respect of buildings and £262,000 in respect of non-depreciable land.

The property is held on a 125 year lease with Wigan Metropolitan Borough Council. Wigan Metropolitan Borough Council obtain the rights to the freehold.

14 Debtors

	2019 £(000)	2018 £(000)
Trade debtors	6	34
VAT recoverable	9	2
Prepayments and accrued income	68	150
	83	186

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Creditors: amounts falling due within one year	2019 £(000)	2018 £(000)
	Trade creditors	21	15
	Other creditors	3	120
	Accruals and deferred income	66	168
		<u>90</u>	<u>303</u>
16	Deferred income	2019 £(000)	2018 £(000)
	Deferred income is included within:		
	Creditors due within one year	<u>53</u>	<u>128</u>
	Deferred income at 1 September 2018	128	187
	Released from previous years	(128)	(187)
	Resources deferred in the year	<u>53</u>	<u>128</u>
	Deferred income at 31 August 2019	<u>53</u>	<u>128</u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Universal Infant Free School Meals grant income received in advance - £26,129
- Other LA grant income received in advance - £26,605

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2019 £(000)
Restricted general funds					
General Annual Grant (GAG)	392	3,703	(3,795)	(17)	283
Other DfE / ESFA grants	-	634	(634)	-	-
Other government grants	182	1,032	(1,214)	-	-
Other restricted funds	143	1,243	(1,380)	(6)	-
Pension reserve	(2,291)	-	1,439	(1,134)	(1,986)
	<u>(1,574)</u>	<u>6,612</u>	<u>(5,584)</u>	<u>(1,157)</u>	<u>(1,703)</u>
Restricted fixed asset funds					
Inherited on conversion	7,989	(3,883)	20	1	4,127
DfE group capital grants	34	26	(113)	53	-
Capital expenditure from GAG	18	-	(43)	25	-
Private sector capital sponsorship	41	-	(41)	-	-
	<u>8,082</u>	<u>(3,857)</u>	<u>(177)</u>	<u>79</u>	<u>4,127</u>
Total restricted funds	<u>6,508</u>	<u>2,755</u>	<u>(5,761)</u>	<u>(1,078)</u>	<u>2,424</u>
Unrestricted funds					
General funds	990	435	(134)	(56)	1,235
	<u>990</u>	<u>435</u>	<u>(134)</u>	<u>(56)</u>	<u>1,235</u>
Total funds	<u>7,498</u>	<u>3,190</u>	<u>(5,895)</u>	<u>(1,134)</u>	<u>3,659</u>

The specific purposes for which the funds are to be applied are as follows:

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

The transfer from unrestricted fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2018 £(000)
Restricted general funds					
General Annual Grant (GAG)	326	5,763	(5,929)	232	392
Other DfE / ESFA grants	114	1,097	(1,199)	(12)	-
Other government grants	83	852	(731)	(22)	182
Other restricted funds	148	41	(33)	(13)	143
Pension reserve	(2,762)	-	(428)	899	(2,291)
	<u>(2,091)</u>	<u>7,753</u>	<u>(8,320)</u>	<u>1,084</u>	<u>(1,574)</u>
Restricted fixed asset funds					
Transfer on conversion	8,100	-	(111)	-	7,989
DfE group capital grants	47	24	(52)	15	34
Capital expenditure from GAG	109	-	(91)	-	18
Private sector capital sponsorship	11	-	(11)	41	41
	<u>8,267</u>	<u>24</u>	<u>(265)</u>	<u>56</u>	<u>8,082</u>
Total restricted funds	<u>6,176</u>	<u>7,777</u>	<u>(8,585)</u>	<u>1,140</u>	<u>6,508</u>
Unrestricted funds					
General funds	<u>974</u>	<u>459</u>	<u>(202)</u>	<u>(241)</u>	<u>990</u>
Total funds	<u>7,150</u>	<u>8,236</u>	<u>(8,787)</u>	<u>899</u>	<u>7,498</u>

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

Total funds analysis by academy

	2019 £(000)	2018 £(000)
Fund balances at 31 August 2019 were allocated as follows:		
Central services	-	-
CFAT and Kingsbridge	414	555
Platt Bridge Community School	1,104	915
Rose Bridge Academy	-	237
	<u>1,518</u>	<u>1,707</u>
Total before fixed assets fund and pension reserve	1,518	1,707
Restricted fixed asset fund	4,127	8,082
Pension reserve	(1,986)	(2,291)
	<u>3,659</u>	<u>7,498</u>
Total funds	3,659	7,498

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £(000)	Other support staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total 2019 £(000)	Total 2018 £(000)
Central services	-	-	-	-	-	-
CFAT and Kingsbridge	-	-	-	509	509	351
Platt Bridge Community School	1,648	1,011	236	530	3,425	3,551
Rose Bridge Academy	1,234	158	89	283	1,764	4,619
	<u>2,882</u>	<u>1,169</u>	<u>325</u>	<u>1,322</u>	<u>5,698</u>	<u>8,170</u>

18 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Endowment Funds £(000)	Total Funds £(000)
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	4,127	-	4,127
Current assets	1,325	283	-	-	1,608
Creditors falling due within one year	(90)	-	-	-	(90)
Defined benefit pension liability	-	(1,986)	-	-	(1,986)
	<u>1,235</u>	<u>(1,703)</u>	<u>4,127</u>	<u>-</u>	<u>3,659</u>
Total net assets	1,235	(1,703)	4,127	-	3,659

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Endowment Funds £(000)	Total Funds £(000)
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	8,082	-	8,082
Current assets	1,889	121	-	-	2,010
Creditors falling due within one year	(899)	596	-	-	(303)
Defined benefit pension liability	-	(2,291)	-	-	(2,291)
Total net assets	990	(1,574)	8,082	-	7,498

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to the TPS in the period amounted to £230,483 (2018: £430,903).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.6% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2019 £(000)	2018 £(000)
Employer's contributions	299	315
Employees' contributions	93	99
Total contributions	392	414
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.3	2.3
Rate of increase for pensions in payment/inflation	3.1	3.1
Discount rate for scheme liabilities	1.9	2.8

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22.0	23.7
- Females	24.8	26.2

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2019

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	15%	734
0.5% increase in the Salary Increase Rate	3%	133
0.5% increase in the Pension Increase Rate	12%	584

The academy trust's share of the assets in the scheme

	2019 Fair value £(000)	2018 Fair value £(000)
Equities	2,072	3,070
Bonds	457	722
Property	244	316
Other assets	274	406
Total market value of assets	3,047	4,514

The actual return on scheme assets was £37,000 (2018: £224,000).

Amount recognised in the Statement of Financial Activities

	2019 £(000)	2018 £(000)
Current service cost	541	670
Past service cost	49	-
Interest income	(110)	(103)
Interest cost	169	176
Total operating charge	649	743

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

Changes in the present value of defined benefit obligations	2019 £(000)	2018 £(000)
At 1 September 2018	6,805	6,685
Transferred out on existing academies leaving the academy trust	(3,618)	-
Current service cost	541	670
Interest cost	169	176
Employee contributions	93	99
Actuarial loss/(gain)	1,049	(778)
Benefits paid	(55)	(47)
Past service cost	49	-
At 31 August 2019	5,033	6,805

Changes in the fair value of the academy trust's share of scheme assets

	2019 £(000)	2018 £(000)
At 1 September 2018	4,514	3,923
Transferred out on existing academies leaving the academy trust	(1,829)	-
Interest income	110	103
Actuarial loss/(gain)	(85)	121
Employer contributions	299	315
Employee contributions	93	99
Benefits paid	(55)	(47)
At 31 August 2019	3,047	4,514

20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £(000)	2018 £(000)
Net expenditure for the reporting period (as per the statement of financial activities)	(2,801)	(551)
Adjusted for:		
Net deficit on transfer of academy out of the trust	2,555	-
Capital grants from DfE and other capital income	(26)	(24)
Investment income receivable	(4)	(6)
Defined benefit pension costs less contributions payable	291	355
Defined benefit pension scheme finance cost	59	73
Depreciation of tangible fixed assets	177	265
Decrease in debtors	103	56
(Decrease)/increase in creditors	(213)	41
Stocks, debtors and creditors transferred on conversion	95	-
Net cash provided by operating activities	236	209

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £(000)	2018 £(000)
Amounts due within one year	5	6
Amounts due in two and five years	-	6
	<u>5</u>	<u>12</u>

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

During the year, purchases were made totalling £4,762 (2018: £3,542) from Platt Bridge Community Centre (Wigan) Limited, a company of which Mr C Sweeney (a trustee) is a director. No balances were outstanding as at the year end.

During the year, purchases were made totalling £19,200 (2018: £28,480) from Brenda Szwandt Consulting Ltd, a company of which Mrs B Szwandt (a member) is a director. No balances were outstanding at the year end.

In entering into these transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

COMMUNITY FIRST ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Rose Bridge leaving the academy trust

	£(000)
Tangible assets	
Leasehold land and buildings	3,798
Computer equipment	13
Fixtures, fittings and equipment	72
Motor vehicles	1
Current assets	
Debtors due within one year	44
Cash at bank and on hand	460
Liabilities	
Creditors due within one year	(140)
Pensions	
Defined benefit pension scheme liability	(229)
Net assets	<u>4,019</u>

25 Teaching schools trading account

	2018/19 £(000)	2018/19 £(000)	2018/19 £(000)	2017/18 £(000)	2017/18 £(000)	2017/18 £(000)
Income						
Direct income						
- Other income		162			357	
Other income						
- Student Loan income		266			202	
- Fundraising and other trading activities		<u>25</u>			<u>171</u>	
Total income			453			730
Expenditure						
Direct costs						
- Direct staff costs	169			176		
- Other direct costs	<u>383</u>			<u>422</u>		
Total direct costs		552			598	
Other costs						
- Other support costs	<u>11</u>			<u>24</u>		
Total other costs		11			24	
Total expenditure			(563)			(622)
Transfers between funds excluding depreciation			(19)			(18)
Surplus/(deficit) from all sources			(129)			90
Teaching school balances at 1 September 2018			<u>136</u>			<u>46</u>
Teaching school balances at 31 August 2019			<u>7</u>			<u>136</u>